

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5697-01  
Bill No.: Perfected HJR 55  
Subject: Constitutional Amendments; Public Officers  
Type: Original  
Date: May 5, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$105,120)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$105,120)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Missouri Department of Transportation, Missouri Department of Conservation, and Missouri House of Representatives** assume the proposal will have no fiscal impact on their organizations.

In response to the earlier version of this proposal, officials from the **Department of Labor and Industrial Relations and Missouri Senate** assumed the proposal will have no fiscal impact on their organizations.

Officials from the **Joint Committee on Public Employee Retirement (JCP)** state the proposal would not create a “substantial proposed change” in future plan benefits as defined in Section 105.660(5). Therefore, an actuarial cost statement is not required.

Officials from the **Missouri State Employees’ Retirement System (MOS)** state the proposed legislation with House Amendment No. 1 would, if enacted, submit to qualified voters of Missouri a constitutional amendment to remove existing constitutional language that allows for automatic approval of the schedule of compensation established by the Missouri Citizen’s Commission on Compensation for all elected state officials, members of the general assembly, and judges unless disapproved by a concurrent resolution adopted by the general assembly. Additionally, restrictive language stating “subject to appropriations” has been removed from existing law. New provisions are proposed that would disqualify any public official convicted in any court of a felony which occurred while in office or who has been removed from office for

ASSUMPTION (continued)

misconduct or impeachment from receiving any pension from the state of Missouri, beginning January 1, 2007. Lastly, language has been incorporated into the proposal that would restrict any member of the House of Representatives or any member of the Senate in office in 2006 from receiving any salary increases until January 1, 2009.

The net effect of these changes would result in the schedule of compensation automatically becoming effective for elected officials and judges the first day of July following filing of the schedule; however, any current legislator would not receive a salary adjustment until January 1, 2009.

Post-retirement cost-of-living adjustments (COLAs) for retired members of the general assembly who retire under the Missouri State Employees' Plan 2000 (MSEP 2000) are based on the increase in pay for active members of the general assembly. In addition, the retirement formula under the MSEP 2000 is based upon an active legislator's monthly base pay and service. As a result, retired legislators receive no COLAs in years in which there is no pay increase and the lack of pay increases for active legislators over their careers has the net effect of producing lower retirement benefits than otherwise would have been the case.

In response to the previous version of this proposal, officials from the **Kansas City Board of Elections (KCEB)** state the cost to the state for an election to amend the constitution only entails legal notice fees. Those costs have been running from \$3,600 to \$9,000 for the KCEB's jurisdiction.

**Oversight** assumes the minimal cost incurred by the KCEB indicates minimal costs for other local election authorities. **Oversight** further assumes these costs can be absorbed within current funding levels.

Officials from the **Office of Secretary of State (SOS) - Division of Elections** provide that statewide newspaper publication of state statutes cost approximately \$1,752 per column inch based on the estimate provided by the Missouri Press Service times three (3) for multiple printings as required by the Constitution and state statute, or \$5,256 per column inch (\$1,752 X 3). The estimated total number of inches for this amendment is 20 inches, which includes title header and certification paragraph. Therefore, the estimated cost of this proposal is \$105,120 (\$5,256 X 20 inches).

If a special election is called for this purpose, rather than being voted on at a general election, the cost of the special election is estimated to be \$1.2 million based on the cost of the past two such elections.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Office of Secretary of State</u>			
Election notice publication costs	<u>(\$105,120)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$105,120)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2007 (10 Mo.)	 FY 2008	 FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.


DESCRIPTION

Starting January 1, 2007, this proposed constitutional amendment prohibits, upon voter approval, public officials convicted of felonies while serving in office, removed from office for misconduct, or impeached from receiving any state pension.

The amendment also removes the General Assembly's veto power over the compensation schedule recommended by the Missouri Citizens' Commission on Compensation for Elected Officials and the requirement that the compensation schedule be subject to appropriations by the General Assembly. No compensation schedule approved by the commission after the amendment's effective date will apply to members of the General Assembly until January 1, 2009.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations  
Missouri Department of Transportation  
Joint Committee on Public Employee Retirement  
Missouri Department of Conservation  
Missouri House of Representatives  
Missouri State Employee Retirement System  
Missouri Senate  
Office of Secretary of State -  
    Division of Elections  
Kansas City Board of Elections

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
May 5, 2006